

BEAVER COUNTY
FINANCIAL STATEMENTS
DECEMBER 31, 2004

C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	4
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS	20
STATEMENT OF ACTIVITIES	21
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	22
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS	23
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	24
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	25
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUND	26
NOTES TO FINANCIAL STATEMENTS	27
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED):	
CONDITION RATING OF THE COUNTY'S ROAD SYSTEM	55
BUDGETARY COMPARISON SCHEDULES:	
GENERAL FUND	56
CLASS B ROAD	59
NOTE A - BUDGETARY COMPARISON SCHEDULE BUDGET-T0-GAAP RECONCILIATION	60

C O N T E N T S

	Page
COMBINING FINANCIAL STATEMENTS AND SCHEDULES:	
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND	62
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS	64
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	65
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	66
SCHEDULES:	
COUNTY TREASURER:	
TREASURER'S TAX COLLECTION AGENCY FUND - BALANCE SHEET	67
CURRENT YEARS TAXABLE VALUES	68
STATEMENT OF TAXES CHARGED, COLLECTED AND DISBURSED CURRENT AND PRIOR YEARS	69
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - TAX COLLECTION AGENCY FUND	71
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	74
AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE	76

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
Beaver County
Beaver, Utah 84713

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaver County as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Beaver County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaver County as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2005, on our consideration of Beaver County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, condition assessment of the County's infrastructure and budgetary comparison information on pages 7 through 18, 55 and 56 through 60, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Board of County Commissioners
Beaver County
Page -2-

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Beaver County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Kimball & Roberts". The signature is written in dark ink and is positioned above a horizontal line.

KIMBALL & ROBERTS, P. C.
Certified Public Accountants

April 29, 2005
Richfield, Utah

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Beaver County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2004. This report is in conjunction with the County's financial statements. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

The purpose of the County is to provide general services to its residents that include general government, public safety, public health, highways and public improvements, park and recreation, and economic development.

Financial Highlights

- * the assets of Beaver County exceeded its liabilities as of the close of the most recent year by \$14,147 (*net assets*). There were unrestricted assets at year-end in the amount of \$5,339.
- * the revenues were more than the adopted budgeted amounts and expenditures were less than the adopted budgeted amounts.
- * at the close of the current year, the Beaver County governmental funds reported combined ending fund balances of \$5,017. Approximately 38 percent of this total amount, \$1,928 is available for spending at the government's discretion (*unreserved fund balance*).
- * at the end of the current year, unreserved fund balance for the general fund was \$1,344, or 24 percent of total general fund expenditures.
- * Beaver County's total debt increased by \$301 during the current year.
- * Beaver County issued \$5,700 of General Obligation Refunding Bonds to retire \$5,100 of 1997B General Obligation Bonds. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$206 and resulted in an economic gain of \$171.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Beaver County's basic financial statements. Beaver County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Beaver County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Beaver County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Beaver County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Beaver County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Beaver County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development.

The government-wide financial statements include not only Beaver County itself (known as the primary government), but also five legally separate special service districts, two for fire protection, one for hospital services, one for solid waste and the other for multi purpose activities at the Elk Meadows area, for which Beaver County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Beaver County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Beaver County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Beaver County maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, B-Road fund and debt service fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Beaver County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Beaver County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Beaver County.

The combining statements referred to earlier in connection with non-major governmental funds and the enterprise fund is presented immediately following the required supplementary information.

Government-wide financial analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Beaver County, assets exceeded liabilities by \$14,147 at the close of the most recent fiscal year.

By far the largest portion of Beaver County's net assets reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Beaver County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Beaver County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Beaver County's Net Assets

	<u>2004</u>	<u>2003</u>
Current and Other Assets	6,862	5,962
Capital Assets	<u>16,965</u>	<u>17,285</u>
Total Assets	<u>23,827</u>	<u>23,246</u>

Beaver County's Net Assets – Continued

	<u>2004</u>	<u>2003</u>
Current Liabilities	511	610
Long-Term Liabilities	<u>9,169</u>	<u>8,874</u>
Total Liabilities	<u>9,680</u>	<u>9,484</u>
Net Assets:		
Invested in Capital Assets - Net of Related Debt	8,024	8,046
Restricted	784	734
Unrestricted	<u>5,339</u>	<u>4,982</u>
Total Net Assets	<u>14,147</u>	<u>13,762</u>

A portion of Beaver County's net assets (6 percent) represents resources that are subject to external restrictions on how they may be used. At year end Beaver County is able to report positive balances in all categories.

Governmental activities increased Beaver County's net assets by \$384. Key elements of this increase follow:

Beaver County's Changes In Net Assets

	<u>2004</u>	<u>2003</u>
Revenues:		
Program Revenues:		
Charges for Services	4,364	3,891
Operating Grants and Contributions	1,472	1,324
Capital Grants and Contributions	0	0
General Revenues:		
Property Taxes	1,091	1,076
Other Taxes	431	500
Grants and Contributions	518	504
Unrestricted Investment Earnings	60	49
Other	<u>59</u>	<u>63</u>
Total Revenues	<u>7,995</u>	<u>7,407</u>

Beaver County's Changes In Net Assets - Continued

	<u>2004</u>	<u>2003</u>
Expenses:		
General Government	1,579	1,497
Public Safety	3,467	3,322
Public Health	264	156
Highways and Public Improvements	1,454	1,259
Parks and Recreation	153	212
Economic Development	359	345
Interest on Long-Term Debt	<u>335</u>	<u>414</u>
Total Expenses	<u>7,611</u>	<u>7,205</u>
Increase in Net Assets	384	139
Net Assets - Beginning	<u>13,762</u>	<u>13,623</u>
Net Assets - End	<u>14,147</u>	<u>13,762</u>

Financial Analysis of the Government's Funds

As noted earlier, Beaver County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of Beaver County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Beaver County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Beaver County's governmental funds reported combined ending fund balances of \$5,017, an increase of \$495 in comparison with the prior year. Approximately 38 percent of this amount (\$1,928) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to: 1) highways and public improvements (\$706); and 2) to Debt Service (2,384).

The general fund is the chief operating fund of Beaver County. At the end of the current year, unreserved fund balance of the general fund was \$1,344. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

Unreserved fund balance represents 24 percent of total general fund expenditures.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of \$89 can be briefly summarized as follows:

- * \$32 decrease in general government
- * \$39 increase in public safety
- * \$2 increase in parks and recreation
- * \$50 decrease in economic development
- * \$30 increase in health and welfare
- * \$100 increase in contributions and transfers

Of this increase, the \$259 was funded out of increased intergovernmental revenue, charges for services and fines & forfeitures. During the year, actual revenues exceeded budgeted revenues by \$115, and actual expenditures were less than budgeted expenditures by \$111 resulting in a net increase in fund balance of \$226.

Capital Asset and Debt Administration

Capital assets

Beaver County's investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$16,965 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements other than buildings, equipment, and infrastructure, which include roads, highways, and bridges. The total decrease in Beaver County's investment in capital assets for the current year was \$178. Major capital asset events during the current year included the following:

- * Investment in buildings of \$21 and investment of \$272 in equipment, including road equipment and automobiles.

Also, the county has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

Beaver County's Capital Assets

(net of depreciation)

	<u>2004</u>	<u>2003</u>
Land	169	169
Rights of Way	286	286
Infrastructure	8,588	8,588
Buildings	7,213	7,428
Improvements Other Than Buildings	0	0
Equipment	<u>709</u>	<u>714</u>
Total	<u>16,965</u>	<u>17,185</u>

Additional information on Beaver County's capital assets can be found in the notes to the financial statements.

Long-term debt

At the end of the current year, Beaver County had total bonded debt outstanding of \$9,393. The debt is represented by the following:

Beaver County's Outstanding Debt

	<u>2004</u>	<u>2003</u>
General Obligation Bonds	6,822	6,452
Revenue Bonds	1,889	1,930
Special Assessment Bonds	<u>682</u>	<u>714</u>
Total	<u>9,393</u>	<u>9,096</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the county. The current debt limitation for Beaver County is \$9,332. Beaver County has general obligation debt of \$6,822 as of December 31, 2004.

Additional information on Beaver County's long-term debt can be found in the notes of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Beaver County is 4.9 percent, which is a decrease from a rate of 5.2 a year ago. This is slightly higher than the state's average unemployment rate of 4.4 percent. The national unemployment rate for the same period was 5.4 percent.

These factors were considered in preparing Beaver County's budget for the 2005 year.

The assessed values for prior years of some state assessed properties were appealed (including the Utah Power) which upon final decision of the State Tax Commission will result in a refund of taxes to those entities. This will result in an increase in the tax rate for 2005. Based on these factors, the budget for 2005 was developed to insure there would not be an additional increase in taxes. Other revenue sources have remained stable.

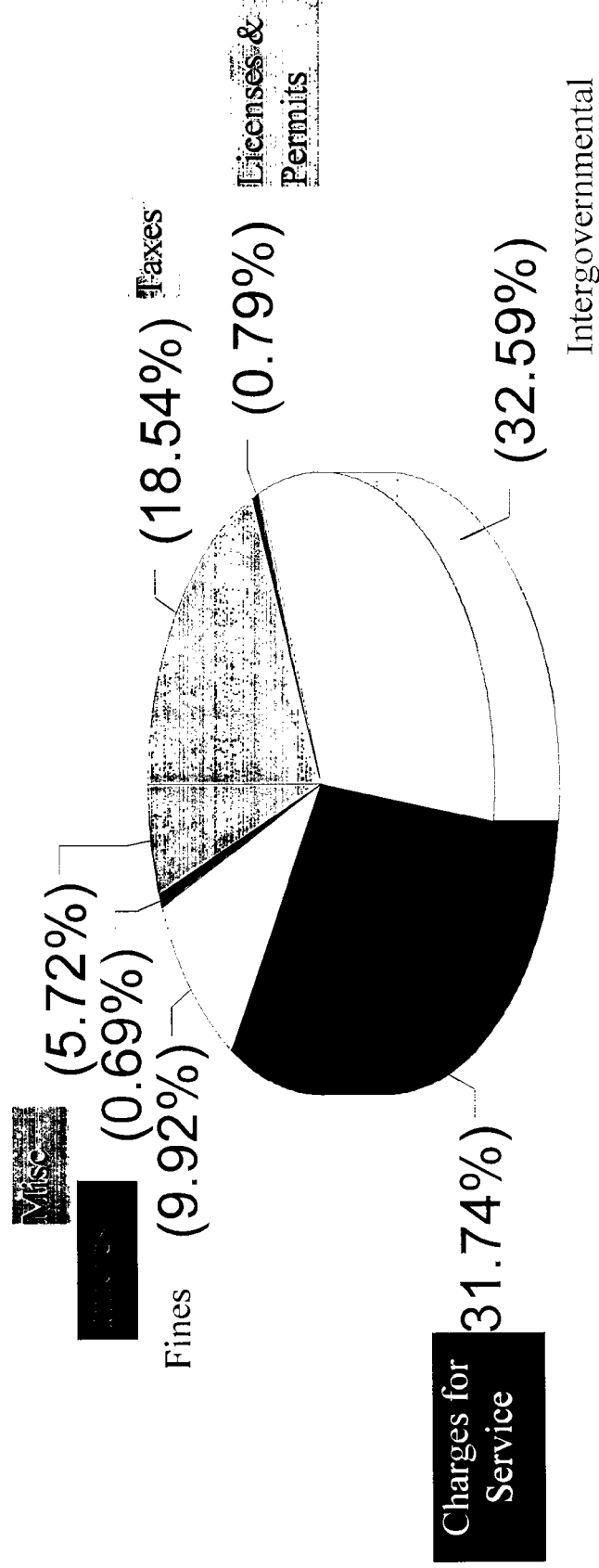
Requests for Information

This financial report is designed to provide a general overview of Beaver County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Beaver County Clerk/Auditor, P.O. Box 392, 105 East Center, Beaver, UT 84713.

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is used to assist in formatting, for easier reading)

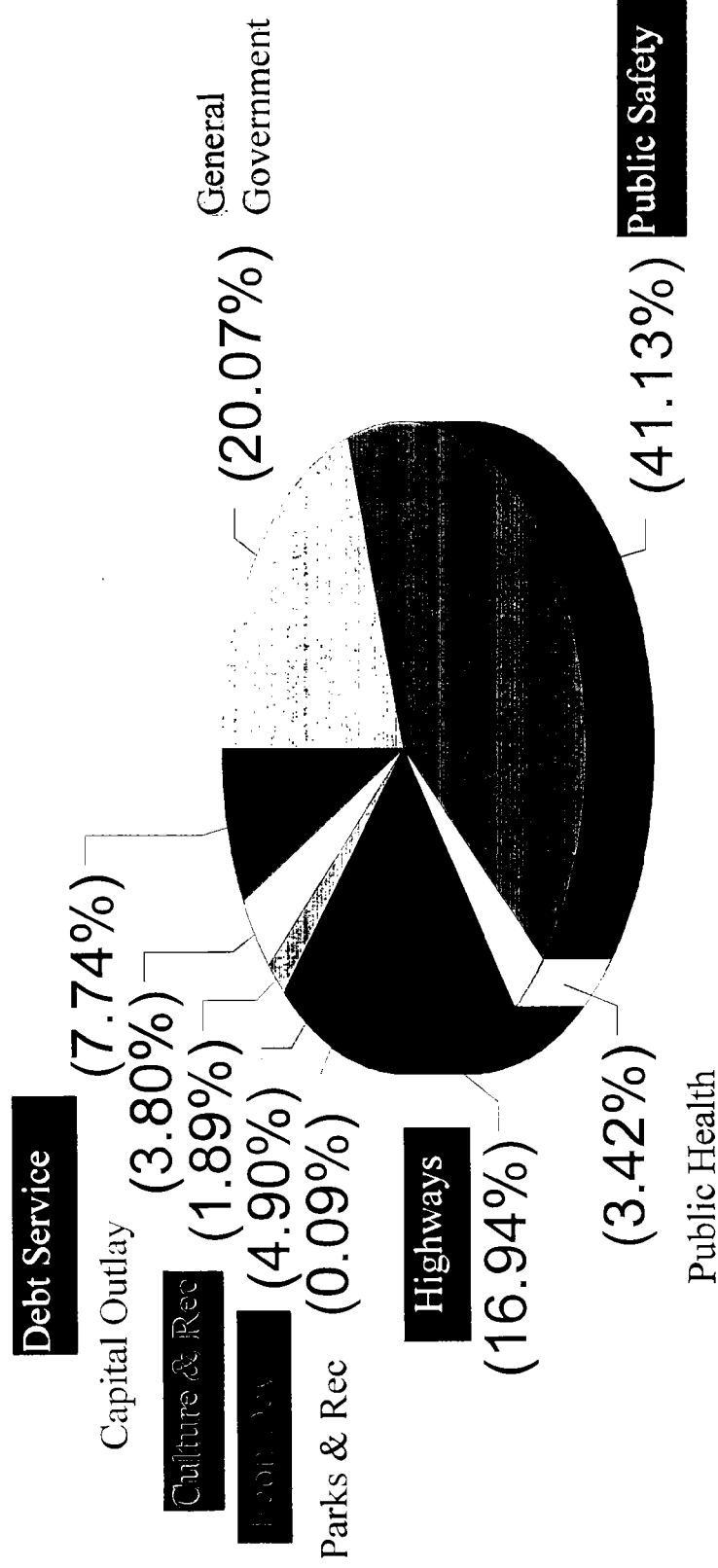
2004 Revenues by Source

Beaver County Governmental Activities



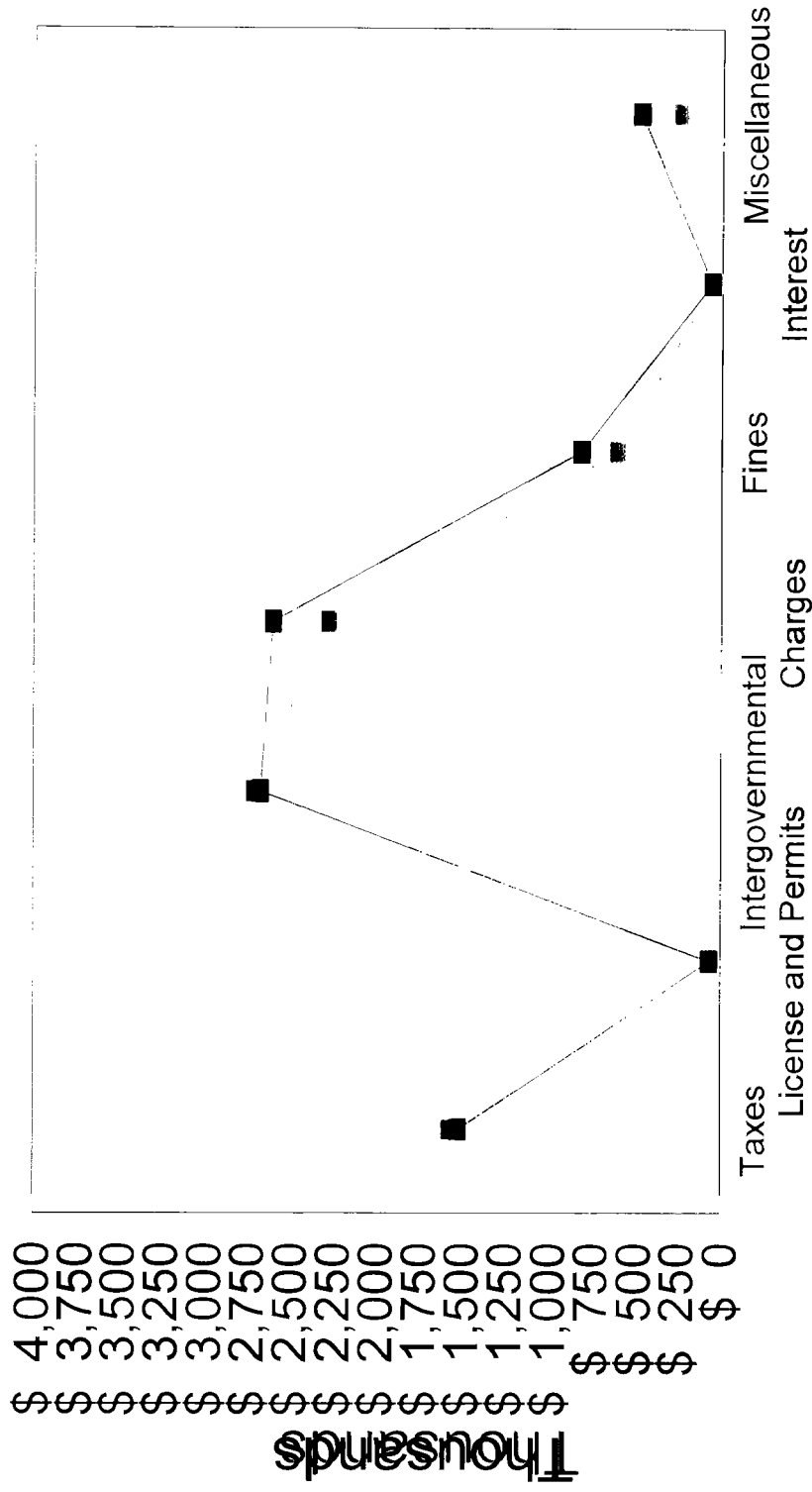
2004 Expenditures by Source

Beaver County Governmental Activities



Two Year Comparison Revenue 2003/2004

Beaver County Governmental Activities



■ 2003 Revenue ■ 2004 Revenue

BASIC FINANCIAL STATEMENTS

BEAVER COUNTY
STATEMENT OF NET ASSETS
December 31, 2004

	Primary Governmental Activities	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	4,074,662	1,220,150
Accounts Receivable (Net)	17,136	238,308
Taxes Receivable	-	4,939
Interest Receivable	-	14,711
Deferred Charges - Refund Bonds	36,807	-
Special Assessments Receivable	170,000	226,093
Due From Other Government Units	839,087	10,487
Total Current Assets	5,137,692	1,714,688
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	-	84,320
Loans Receivable	200,000	-
Interest Receivable	-	137,720
Special Assessments Receivable	935,000	921,750
Deferred Charges	588,911	-
Prepaid Expenses	-	6,777
Capital Assets (Net of Accumulated Depreciation)	16,965,213	3,937,351
Total Noncurrent Assets	18,689,124	5,087,918
TOTAL ASSETS	23,826,816	6,802,606
LIABILITIES		
Current Liabilities:		
Accounts Payable	113,801	25,798
Bond Interest Payable	29,422	32,809
Notes Payable	-	100,000
Deferred Credits - Bond Premium	3,474	-
G. O. Bond Payable	67,000	-
Revenue Bonds Payable	265,698	-
Special Assessment Bonds Payable	33,000	90,000
Capital Lease Obligations	-	47,361
Total Current Liabilities	512,395	295,968
Noncurrent Liabilities:		
Notes Payable	-	100,000
Deferred Credits - Bond Premium	55,577	-
G. O. Bond Payable	6,755,000	-
Revenue Bonds Payable	1,622,916	1,499,188
Special Assessment Bonds Payable	649,000	-
Capital Lease Obligations	-	27,542
Closure and Postclosure Costs	-	191,411
Compensated Absences	85,418	-
Total Noncurrent Liabilities	9,167,911	1,818,141
TOTAL LIABILITIES	9,680,306	2,114,109
NET ASSETS		
Investment in Capital Assets, Net of Related Debt	8,024,426	2,041,190
Restricted For:		
Class "B" Road	705,956	-
Transient Room Tax	77,440	-
Debt Service	-	71,942
Fire Protection	-	31,001
Landfill Postclosure	-	16,827
Unrestricted	5,338,688	2,527,537
TOTAL NET ASSETS	14,146,510	4,688,497

The notes to the financial statements are an integral part of this statement.

For The Year Ended December 31, 2004

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS**

For The Year Ended December 31, 2004

	General Fund	Class B Roads	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	809,889	431,674	2,267,899	565,200	4,074,662
Accounts Receivable (Net)	8,621	-	-	8,515	17,136
Special Assessments Receivable	-	480,000	625,000	-	1,105,000
Due From Other Government Units	613,774	281,882	114,704	28,727	1,039,087
TOTAL ASSETS	<u>1,432,284</u>	<u>1,193,556</u>	<u>3,007,603</u>	<u>602,442</u>	<u>6,235,885</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	87,979	7,600	-	18,222	113,801
Deferred Revenue	-	480,000	625,000	-	1,105,000
Total Liabilities	<u>87,979</u>	<u>487,600</u>	<u>625,000</u>	<u>18,222</u>	<u>1,218,801</u>
Fund Balances:					
Reserved For:					
Class "B" Road	-	705,956	-	-	705,956
Debt Service	-	-	2,382,603	-	2,382,603
Unreserved, Reported In:					
General Fund	1,344,305	-	-	-	1,344,305
Special Revenue Funds	-	-	-	584,220	584,220
Total Fund Balance	<u>1,344,305</u>	<u>705,956</u>	<u>2,382,603</u>	<u>584,220</u>	<u>5,017,084</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>1,432,284</u>	<u>1,193,556</u>	<u>3,007,603</u>	<u>602,442</u>	<u>6,235,885</u>

The notes to the financial statements are an integral part of this statement.

BEAVER COUNTY
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS

December 31, 2004

Total Fund Balances - Governmental Fund Types	5,017,084
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	169,329
Right of Way	286,330
Paved Roads	8,587,420
Buildings	7,213,745
Equipment	<u>708,389</u>

Total - Net of Depreciation	16,965,213
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Other assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:

Deferred Charges - Refunding Bonds	625,718
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Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Lease Revenue Bonds	(1,888,614)
General Obligation Bonds	(6,822,000)
Special Assessment Bonds	(682,000)
Compensated Absences	(85,418)
Bond Interest Payable	<u>(29,422)</u>

Total	(9,507,454)
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Other liabilities included on the government-wide financial statements but are not due and payable in the current period and not included in the fund statements:

Deferred Credits	(59,051)
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Other long-term liabilities, deferred revenue, not included in government-wide financial statements on the accrual basis.

	<u>1,105,000</u>
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Net Assets of Government Activities	<u><u>14,146,510</u></u>
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BEAVER COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For The Year Ended December 31, 2004

	General Fund	Class B Roads	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	1,228,577	-	-	292,374	1,520,951
Licenses and Permits	65,200	-	-	-	65,200
Intergovernmental	800,650	1,131,837	733,620	7,724	2,673,831
Charges for Services	2,604,468	-	-	-	2,604,468
Fines and Forfeitures	813,878	-	-	-	813,878
Interest	51,902	-	453	4,350	56,705
Miscellaneous	167,021	223,094	58,539	19,982	468,636
Total Revenues	5,731,696	1,354,931	792,612	324,430	8,203,669
Expenditures:					
Current:					
General Government	1,528,355	-	-	18,962	1,547,317
Public Safety	3,170,456	-	-	-	3,170,456
Public Health	220,086	-	-	43,923	264,009
Highways/Public Improvements	-	1,306,315	-	-	1,306,315
Parks and Recreation	7,217	-	-	-	7,217
Economic Development	315,681	-	-	62,529	378,210
Culture and Recreation	-	-	-	145,531	145,531
Capital Outlay	279,265	14,000	-	-	293,265
Debt Service:					
Principal	-	-	279,000	-	279,000
Interest	-	-	317,670	-	317,670
Total Expenditures	5,521,060	1,320,315	596,670	270,945	7,708,990
Excess Revenue Over (Under) Expenditures	210,636	34,616	195,942	53,485	494,679
Other Financing Sources (Uses):					
Transfers In (Out)	15,750	-	-	(15,750)	-
Refunding Bond Proceeds	-	-	5,700,000	-	5,700,000
Payment to Refunded Bond Escrow Agent	-	-	(5,655,039)	-	(5,655,039)
Bond Issuance Costs	-	-	(107,486)	-	(107,486)
Bond Refunding Premium	-	-	62,525	-	62,525
Total Other Financing	15,750	-	-	(15,750)	-
Net Change In Fund Balance	226,386	34,616	195,942	37,735	494,679
Fund Balance - Beginning	1,117,919	671,340	2,186,661	546,485	4,522,405
Fund Balance - Ending	1,344,305	705,956	2,382,603	584,220	5,017,084

The notes to the financial statements are an integral part of this statement.

BEAVER COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2004

Amounts reported for governmental activities in the statement of activities
are different because:

Net Changes in Fund Balances - Total Governmental Funds	494,679
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlays	293,265	
Depreciation Expense	<u>(471,162)</u>	
Total		(177,897)

Revenues in the funds on a cash basis are not revenues in the Statement of Activities which is on the accrual basis:

Bond Premium - Deferred Credit	(62,525)	
Special Assessment Receipts	(170,000)	
Sale of Fixed Assets	<u>(42,257)</u>	
Total		(274,782)

Expenditures in the funds on a cash basis are not expenses in the Statement of Activities which is on the actual basis:

Bond Issuance Costs	107,486
---------------------	---------

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Refunding Bond Proceeds	(5,700,000)	
Payment to Refunded Bond Escrow Agent	5,655,039	
Payment of Long-Term Debt	<u>303,592</u>	
Total		258,631

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in Compensated Absences	(4,010)	
Amortization of Deferred Debits	(36,807)	
Amortization of Deferred Credits	3,474	
Decrease in accrued Interest Payable	<u>13,318</u>	
Total		<u>(24,025)</u>

Changes In Net Assets of Governmental Activities	<u><u>384,092</u></u>
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**BEAVER COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND**

December 31, 2004

ASSETS:

Cash Invested	768,228
Accounts Receivable	10,834
Taxes Receivable	<u>17,189</u>
 TOTAL ASSETS	 <u>796,251</u>

LIABILITIES:

Collections Payable	782,468
Due to taxing Units	<u>13,783</u>
 TOTAL LIABILITIES	 <u><u>796,251</u></u>

The notes to the financial statements are an integral part of this statement.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of Beaver County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The basic accompanying financial statements present the financial position of various fund types and the results of operations of the various fund types. The financial statements are presented for the year ended December 31, 2004.

A. Reporting Entity:

For financial reporting purposes, Beaver County has included all funds. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these basic financial statements present Beaver County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the individual component units, that issued separate financial statements, can be obtained from the Beaver County Auditor's office.

Discrete Component Units:

These component units are entities which are legally separate from the County, but are financially accountable to the County or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The County must approve their tax rates and debt. The County could also take away their operating authority and could dissolve the District. Each of these districts was organized under the State of Utah's Statute for special service districts, Section 17A-2-1300. The component units column of the combined financial statements include the financial data of the following entities:

- * **Beaver Fire District #1 (Governmental and Proprietary Fund Type)** - This Special Service District was organized under the State of Utah's Statute for Special Service Districts, by Beaver County. The District operates under a Board of Directors and provides emergency fire protection and ambulance service as authorized by its charter. The Districts Administrative Board consists of five (5) members, each of whom was appointed by the County Commissioners. The District

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

was audited by other independent auditors, and their report, dated June 10, 2005, has been previously issued under separate cover. A copy of the report can be obtained at the Beaver County Auditor's office in Beaver, Utah.

- * **Beaver County Special Service District #2 (Governmental Fund Type)** - The District was created by the adoption of a resolution to establish a special service district by the Beaver County Commissioners on March 4, 1976. The District was established for the purpose of providing the service of fire protection. The District's Administrative Control Board consists of five (5) members, each of whom was appointed by the County Board of Commissioners. The District was compiled by other independent auditors, and their report, dated January 27, 2005, has been previously issued under separate cover. A copy of the report can be obtained at the office of the Beaver County Auditor in Beaver, Utah.
- * **Beaver County Special Hospital Service District #3 (Governmental Fund Type)** - The District was established by resolution of the Board of County Commissioners of Beaver County on October 4, 1982, pursuant to State law, to provide hospital services to the territory which includes the municipalities of Milford City and Minersville Town. The District was audited by other independent auditors, and their report, dated February 15, 2005, has been previously issued under separate cover. A copy of the report can be obtained at the Beaver County Auditor's Office in Beaver, Utah.
- * **Elk Meadows Special Service District (Proprietary Fund Type)** - The District was created by the adoption of a resolution to establish a special service district by the Beaver County Commissioners on May 1, 1995. The District was established for the purpose of construction, repairing and maintaining water, sewage, drainage, flood control, transportation, recreation, street lighting and snow removal services within the boundaries of the District. The District's Administrative Board consists of three (3) members, each of whom is appointed by the Board of County Commissioners. The Board of County Commissioners appoints the initial two (2) members to serve a two-year term and the remaining member to serve a four-year term, the determination of who shall serve in each category to be made by lot. Terms commenced on February 25, 1997. A copy of the report can be obtained at the Beaver County Auditor's Office in Beaver, Utah.
- * **Beaver County Special Service District #5 (Proprietary Fund Type)** - The District was created by the adoption of a resolution to establish a special service district by the Beaver County Commission, pursuant to State law, to provide solid waste sanitation disposal services to the communities within the District. The District was audited by other independent auditors, and their report, dated June 28, 2005, has been previously issued under separate cover. A copy of the report can be obtained at the office of the Beaver County Auditor in Beaver, Utah.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Unit:

The County established by resolution a building authority for the purpose of, but not limited to, acquiring, leasing, constructing, furnishing, maintaining or operating a jail building and related facilities, and to acquire or lease land required for or related to these purposes. The governing board of the Building Authority is the County Commission. The Building Authority is accounted for in a special revenue fund.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Beaver County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The B Road Fund receives funding from the State Department of Transportation to be expended on eligible B Roads in the County.

The Government also reports the following Other Governmental Funds:

Tushar Campground, E-911, Library, Public Health, Mosquito Abatement, Restaurant Tax, Building Authority and Transient Room Tax. These funds account for revenue sources that are restricted to expenditures for specific purposes.

Additionally the Government reports the following fund type:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer for the taxing entities within the County.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

**BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

Deposits and Investments:

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Improvements Other Than Buildings	20 Years
Equipment	5 - 10 Years

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences:

It is the County's policy to permit employees to accumulate earned but unused vacation and comp time benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Budgets and Budgetary Accounting:

The governing body of the entity shall establish the time and place of the public hearing to consider the adoption of the budget and shall publish notice of the hearing at least seven days prior to the hearing in at least one issue of the newspaper of general circulation published within the County in which the entity is located. If no such newspaper is published, the required notice may be posted in three public places within the entity's jurisdiction. The tentative budget must

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The tentative budget must be made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the County Commission in the month of November, the County Auditor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held on the adoption of the budget.
3. After the public hearing, the County Commission makes final adjustments to the tentative budget.
4. On or before December 15, the County Commission adopts the budget by resolution or ordinance and sets the tax rate for taxes.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The County Commission may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the County Commission.
8. Budgets for the General fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

The Fiscal Procedures Act for Utah Counties require Counties to restrict expenditures to authorized departmental budgets. The combined statement of revenues, expenditures and changes in fund balance - budget and actual identifies the departments and funds which have overexpended budgeted amounts if any and, therefore, do not comply with appropriate fiscal procedures.

**BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Tax Calendar:

- | | |
|-------------|--|
| January 1 | Lien Date - All property appraised based upon situs and status as of this date (real and personal). |
| March 1 | Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice. |
| June 22 | All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor. |
| July 22 | County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the county auditor is to compute taxes and the county treasurer is to mail tax notices. |
| September 1 | State Tax Commission approves tax rates. |
| November 1 | County auditor is to deliver the equalized assessment roll to the county treasurer with affidavit. |
| November 1 | County auditor to charge the county treasurer to account for all taxes levied. |
| November 1 | County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings. |
| November 30 | Taxes on real property become delinquent. |

NOTE 2 - DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

Deposits:

At December 31, 2004, the carrying amount of the County's deposits for the primary government was \$1,022,737 and the bank balance was \$1,024,626. Of the bank balance, \$103,663 was covered by federal depository insurance. At December 31, 2004, the carrying amount of the component units was \$356,143 and the bank balance was \$383,092. Of the bank balance, \$323,448 was covered by federal depository insurance. State statutes do not require collateral to be pledged for deposits.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments:

Statutes authorize the County to invest in obligations of the U. S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standards & Poor's Corporation or P-1 by Moody's Commercial Paper Record, Bankers' acceptances, repurchase agreements and the state treasurer's investment pool. The County is also authorized to enter into reverse repurchase agreements.

The County's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the County's name.

Investments for the Primary Government at December 31, 2004, are as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount/ Fair Value</u>
Investments:				
Repurchase Agreements	<u>-</u>	<u>-</u>	<u>-</u>	430,678
Other Items:				
State Treasurer's Investment Pool				<u>3,389,475</u>
Total Investments				<u>3,820,153</u>

Investments for the Component Units at December 31, 2004, are as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount/ Fair Value</u>
Investments	<u>-</u>	<u>-</u>	<u>-</u>	-
Other Items:				
State Treasurer's Investment Pool				<u>948,327</u>
Total Investments				<u>948,327</u>

**BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2004

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The Utah Public Treasurer's Investment Fund is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

NOTE 3 - TAXES RECEIVABLE - AGENCY FUND

Beaver County assesses and collects taxes for the taxing units of the County. The County then remits such monies to the taxing units according to the tax rates set by each taxing unit. The amount of \$17,189 represents monies collected by the County Treasurer and not yet remitted to the taxing units.

NOTE 4 - SPECIAL ASSESSMENT RECEIVABLE

The County has created two special assessment districts with Circle 4 Farms for the repayment of monies expended for road projects for the benefit of Circle 4 Farms. The terms of the agreements require Circle 4 Farms to make annual payments of \$120,000 and \$50,000 to the County. The first project was funded by the County from surplus road funds. The second project was funded by a loan from the Community Impact Board of \$775,000 which requires payments over 20 years with interest at 2.5%. The County will make the debt service payment to CIB and Circle 4 Farms will reimburse the County for the amount of the debt service payment.

The following is a summary of required payments to the County:

	<u>Principal</u>	<u>Principal</u>
2005	120,000	50,000
2006	120,000	50,000
2007	120,000	50,000
2008	-	50,000
2009	-	50,000
2010-2014	-	250,000
2015-2019	-	245,000
	<u>360,000</u>	<u>745,000</u>
Total		

NOTE 5 - DUE FROM OTHER GOVERNMENT UNITS

The receivable from other governmental units are as follows:

<u>Agency</u>	<u>Amount</u>
Class B Roads	271,881
State Agencies	556,372
Federal Agencies	<u>10,834</u>
Total Receivable	<u>839,087</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2004, was as follows:

Primary Government:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	169,329	-	-	169,329
Rights of Way	286,330	-	-	286,330
Infrastructure	<u>8,587,420</u>	<u>-</u>	<u>-</u>	<u>8,587,420</u>
 Total Capital Assets Not Being Depreciated	 <u>9,043,079</u>	 <u>-</u>	 <u>-</u>	 <u>9,043,079</u>
 Capital Assets Being Depreciated:				
Buildings	9,549,935	21,000	-	9,570,935
Improvements Other Than Buildings	56,260	-	-	56,260
Equipment	<u>2,905,841</u>	<u>272,265</u>	<u>146,557</u>	<u>3,031,549</u>
 Total Capital Assets Being Depreciated	 <u>12,512,036</u>	 <u>293,265</u>	 <u>146,557</u>	 <u>12,658,744</u>
 Less Accumulated Depreciation For:				
Buildings	2,121,938	235,252	-	2,357,190
Improvements Other Than Buildings	56,260	-	-	56,260
Equipment	<u>2,191,550</u>	<u>235,910</u>	<u>104,300</u>	<u>2,323,160</u>
 Total Accumulated Depreciation	 <u>4,369,748</u>	 <u>471,162</u>	 <u>104,300</u>	 <u>4,736,610</u>
 Total Capital Assets Being Depreciated (Net)	 <u>8,142,288</u>	 <u>(177,897)</u>	 <u>42,257</u>	 <u>7,922,134</u>
 Governmental Activities Capital Assets, Net	 <u><u>17,185,367</u></u>	 <u><u>(177,897)</u></u>	 <u><u>42,257</u></u>	 <u><u>16,965,213</u></u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>
General Government	21,935
Public Safety	296,108
Highways and Public Improvements	148,219
Economic Development	<u>4,900</u>
Total Depreciation Expense	<u><u>471,162</u></u>

Component Units:

Statement of Changes in Capital Assets (Component Units) as of December 31, 2004:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	<u>35,140</u>	<u>-</u>	<u>-</u>	<u>35,140</u>
Capital Assets Being Depreciated:				
Buildings	1,149,750	17,062	-	1,166,812
Equipment	<u>961,719</u>	<u>45,454</u>	<u>-</u>	<u>1,007,173</u>
Total Capital Assets Being Depreciated	2,111,469	62,516	-	2,173,985
Less Accumulated Depreciation	<u>(750,160)</u>	<u>(158,003)</u>	<u>-</u>	<u>(908,163)</u>
Total Capital Assets Being Depreciated (Net)	<u>1,361,309</u>	<u>(95,487)</u>	<u>-</u>	<u>1,265,822</u>
Governmental Activities Capital Assets, Net	<u>1,396,449</u>	<u>(95,487)</u>	<u>-</u>	<u>1,300,962</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Not Being Depreciated:				
Land	69,350	-	-	69,350
 Total Capital Assets Not Being Depreciated	69,350	-	-	69,350
 Capital Assets Being Depreciated:				
Buildings	171,728	-	-	171,728
Improvements Other Than Buildings	2,258,209	69,325	-	2,327,534
Equipment	1,074,149	90,690	-	1,164,839
 Total Capital Assets Being Depreciated	3,504,086	160,015	-	3,664,101
 Less Accumulated Depreciation	(945,395)	(151,667)	-	(1,097,062)
 Total Capital Assets Being Depreciated (Net)	2,558,691	8,348	-	2,567,039
 Business Type Activities Capital Assets, Net	2,628,041	8,348	-	2,636,389
 Total - Government Wide	4,024,490	(87,139)	-	3,937,351

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 7 - LONG-TERM DEBT

Primary Government:

Sick Leave:

Employees are allowed 12 days of sick leave each fiscal year at one day per month. Sick leave may be accumulated up to 60 days. Sick leave can only be taken with time off and in the case of termination of an employee, either voluntarily or involuntarily, the employee will not receive any cash compensation.

Compensated Absences:

The amount of compensated absences at year end was \$85,418. This has been calculated from accrued compensatory time.

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
Compensated Absences	81,408	4,010	-	85,418

Special Revenue Fund:

The County issued a Lease Revenue Bond Series 1987 in the amount of \$380,560 at an interest rate of 4.5%. The bond is secured by means of a pledge and assignment of lease, and the revenues and receipts derived by the County from the project. Balance at year end was \$80,614.

The following is a summary of debt service charges to maturity for the lease revenue bond.

Year	Principal	Interest	Total
2005	25,698	3,628	29,326
2006	26,855	2,471	29,326
2007	28,061	1,263	29,324
Totals	80,614	7,362	87,976

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Public Safety Building:

During 1997 the County obtained sufficient funding for the construction of a public safety building which includes a jail, related law enforcement offices and state courts. Construction began in 1997 and has been completed.

The long-term funding for the construction was as follows:

<u>Agency</u>	<u>Amount</u>
CIB General Obligation Bonds - Series 1997A	1,400,000
General Obligation Bonds - Series 1997B	5,100,000
Community Impact Board Grant	854,000
Municipal Building Authority Lease Revenue Bonds	<u>2,555,000</u>
Total funding Sources	<u><u>9,909,000</u></u>

During 1997 Beaver County issued General Obligation Bonds in the amounts of \$5,100,000 and \$1,400,000. In addition, the County also issued \$2,555,000 of Lease Revenue Bonds through Municipal Building Authority which will be funded by lease revenues obtained by the Building Authority. These bonds were all issued in connection with the construction of the new Public Safety Building.

The schedules of Debt Service payment required are as follows:

Lease Revenue Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	240,000	75,353	315,353
2006	255,000	63,038	318,038
2007	265,000	49,971	314,971
2008	280,000	36,070	316,070
2009	<u>555,000</u>	<u>14,430</u>	<u>569,430</u>
Totals	<u><u>1,595,000</u></u>	<u><u>238,862</u></u>	<u><u>1,833,862</u></u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Series 1997A General Obligation Bond:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	17,000	33,375	50,375
2006	18,000	32,950	50,950
2007	18,000	32,500	50,500
2008	19,000	32,050	51,050
2009	19,000	31,575	50,575
2010-2014	104,000	150,425	254,425
2015-2019	481,000	132,325	613,325
2020-2024	659,000	33,225	692,225
Totals	<u>1,335,000</u>	<u>478,425</u>	<u>1,813,425</u>

2004 General Obligation Advance and Current Refunding:

Beaver County issued \$5,700,000 of General Obligation Refunding Bonds to provide resources to purchase U. S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$5,100,000 Series 1997B Criminal Justice General Obligation Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column in the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$600,000. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$205,558 and resulted in an economic gain of \$171,124.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	50,000	225,573	275,573
2006	50,000	224,323	274,323
2007	55,000	223,010	278,010
2008	55,000	221,498	276,498
2009	55,000	219,848	274,848
2010-2014	2,075,000	912,836	2,987,836
2015-2019	2,160,000	474,825	2,634,825
2020-2024	1,200,000	80,960	1,280,960
Totals	<u>5,700,000</u>	<u>2,582,873</u>	<u>8,282,873</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 7 - LONG-TERM DEBT (CONTINUED)

CIB Special Assessment Bonds Payable:

During 2001, the County created a special assessment district with Circle 4 Farms for the repayment of monies expended for a road project which benefited Circle 4 Farms. The terms of the agreement with the Community Impact Board require the County to make annual payments over 20 years with interest at 2.5%.

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	33,000	17,042	50,042
2006	33,000	16,225	49,225
2007	34,000	15,388	49,388
2008	35,000	14,530	49,530
2009	36,000	13,650	49,650
2010-2014	195,000	54,270	249,270
2015-2019	220,000	28,737	248,737
2020-2024	96,000	3,608	99,608
Totals	<u>682,000</u>	<u>163,450</u>	<u>845,450</u>

The following is a summary of Bonds Payable to maturity for the Primary Government:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	365,698	354,971	720,669
2006	382,855	339,007	721,862
2007	400,061	322,132	722,193
2008	389,000	304,148	693,148
2009	665,000	279,503	944,503
2010-2014	2,374,000	1,117,531	3,491,531
2015-2019	2,861,000	635,887	3,496,887
2020-2024	1,955,000	117,793	2,072,793
Totals	<u>9,392,614</u>	<u>3,470,972</u>	<u>12,863,586</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in Bonds Payable for the Primary Government:

Description	Date of Issue	Interest Rate	Total Issued	Outstanding December 31, 2003	Issued	Matured	Outstanding December 31, 2004
1987 Swimming Pool Revenue Bonds	1987	4.50%	380,560	105,206	-	24,592	80,614
1997C MBA Lease Revenue Bonds	1997	4.6% - 5.2%	2,555,000	1,825,000	-	230,000	1,595,000
1997 A General Obligation Bonds	1997	2.50%	1,400,000	1,352,000	-	17,000	1,335,000
1997B General Obligation Bonds	1997	5.25% - 5.625%	5,100,000	5,100,000	-	5,100,000	-
2001 CIB Special Assessment Bonds	2001	2.50%	775,000	714,000	-	32,000	682,000
2004 Refunding General Obligation Bonds	2004	2.5% - 4.4%	5,700,000	-	5,700,000	-	5,700,000
Less Deferred Amounts: For Issuance Discounts On Refunding Premium on Refunding					(107,486) (555,039) 62,525	(5,970) (30,837) 3,474	(101,516) (524,202) 59,051
Total Bonds			15,910,560	9,096,206	5,100,000	5,370,259	8,825,947

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Component Units:

Bonds Payable:

Beaver County Special Hospital Service District #3:

Beaver County Special Service District #3 Hospital lease revenue bonds, payable in installments through January 2017. Annual principal and interest payments in varying amounts commenced in January 1992, bearing interest at 3.5%. 277,000

Beaver County Special Service District #3 Lease Revenue Bonds issued in February 1996 with interest rate at 2.5%. 95,000

Total Bonds Payable - Beaver County Special Hospital Service District #3 372,000

Beaver County Special Hospital Service District #3 is primarily liable for repayment of the bond liability. Funds for said repayment will be made available through leasing the financed facilities to Milford Valley Memorial Hospital and/or discretionary allocation of the issuers tax levy revenues.

Elk Meadows Special Service District:

On August 5, 1998, the District issued Special Assessment Bonds, Series 1998, in the amount of \$1,163,182. Interest rate varies from 5.3% to 5.45%. 808,000

On December 12, 2001, the District issued Special Assessment Bonds, Series 2001, in the amount of \$364,462. Interest rate varies from 3.75% to 5.85%. 332,000

Total Bonds Payable - Elk Meadows Special Service District 1,140,000

Changes in bonds payable for the component units during 2003 were as follows:

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
Beaver Co. Hospital SSD	393,000	-	21,000	372,000
Elk Meadows SSD	<u>1,226,000</u>	<u>-</u>	<u>86,000</u>	<u>1,140,000</u>
	<u><u>1,619,000</u></u>	<u><u>-</u></u>	<u><u>107,000</u></u>	<u><u>1,512,000</u></u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Loan Payable:

Elk Meadows Special Service District:

In 2003 Beaver County advanced the District \$100,000 to help in meeting the District's debt obligation on the special Assessment Bonds due to non-payment of Special Assessment Debt by Meadows Operations, Inc. during 2003. The County will be repaid upon payment of the Special Assessment on the property now owned by Nimbus Loan Funds.

200,000

Note Payable:

Beaver County Special Service District #2:

Beaver County Special Service District #2 - Note payable to Utah Independent Bank. Original amount was \$82,500 with interest at 6%. Principal and interest payments are made annually in December. Note is secured by Milford fire house.

77,118

The following is a five year summary of debt service charges to maturity for the component units:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	190,000	62,192	252,192
2006	195,188	69,540	264,728
2007	124,000	63,645	187,645
2008	129,000	57,405	186,405
2009	136,000	50,872	186,872
2010-2014	776,000	142,493	918,493
2015-2019	204,000	23,283	227,283
2020-2024	26,000	3,500	29,500
2025-2029	<u>9,000</u>	<u>450</u>	<u>9,450</u>
Totals	<u>1,789,188</u>	<u>473,380</u>	<u>2,262,568</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 8 - LEASE OBLIGATIONS

Discrete Component Units:

Beaver County Special Hospital Service District #3 has the following lease obligation:

	Balance December 31, 2003	Issued	Retired	Balance December 31, 2004
\$97,400 originally issued during 2003.	<u>82,253</u>	<u>-</u>	<u>28,309</u>	<u>53,944</u>

Beaver Fire District #1 has the following lease obligations:

	Balance December 31, 2003	Issued	Retired	Balance December 31, 2004
\$50,000 originally issued with interest at 5.9%	15,430	-	15,430	-
\$60,600 originally issued with interest at 4.377%	<u>41,138</u>	<u>-</u>	<u>20,179</u>	<u>20,959</u>
Total	<u>56,568</u>	<u>-</u>	<u>35,609</u>	<u>20,959</u>

NOTE 9 - CLASS "B" ROAD - RESERVED FUND BALANCE

The following is a statement of changes in Class "B" Roads Reserved Fund Balance:

Balance - Beginning of Year	671,340
Revenues:	
State Allotments	1,121,003
Forest Reserve	10,834
Reimbursements	53,093
Circle 4 Farm Contributions	<u>170,000</u>
Total Revenues	1,354,930
Expenditures	<u>(1,320,314)</u>
Balance - End of Year	<u>705,956</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 10 - DEBT SERVICE FUND

The following is a statement of changes in Debt Service Fund:

Balance - Beginning of Year		2,186,661
Revenues:		
District Course Leases	77,968	
State Prisoner Contracts	655,652	
Interest Revenue	453	
Contribution from Circle 4 Farms	50,000	
Transfer from MBA Fund	<u>8,539</u>	
Total Revenues		792,612
Expenditures:		
Bond Interest Payments		<u>(596,670)</u>
Balance - End of Year		<u><u>2,382,603</u></u>

NOTE 11 - MUNICIPAL BUILDING AUTHORITY

On November 6, 1995, the County Commissioners organized the Municipal Building Authority to acquire, improve or extend one or more projects and to finance their costs on behalf of the public body that created it and to all other lawful things allowed by law for this type of corporation. The trustees of the Building Authority consists of three board members, who are the duly elected County Commissioners. The Building Authority is treated as a blended component unit for County reporting purposes.

NOTE 12 - TRANSFERS

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	15,750	-
Transient Room Tax	<u>-</u>	<u>15,750</u>
	<u><u>15,750</u></u>	<u><u>15,750</u></u>

Transfers were made for the following purposes:

- * The Transient Room Tax Fund transferred \$15,750 to the General Fund for County activities.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 13 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Utah Counties Insurance Pool, a self-funded risk financing pool administered by the Utah Association of Counties.

Through the Pool, the County maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled locations, and crime. The Pool is reinsured through commercial companies in excess of \$100,150,000 for property to a limit of \$100,150,000 and \$2,250,000 for liability to a limit of \$3,000,000 with a combined excess aggregate of \$1,000,000 to \$1,350,000. The Pool does not provide coverage for all risks and hazards, however, the County has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

<u>Coverage Area</u>	<u>Company</u>	<u>Limit</u>
General Liability	UAC Insurance Pool	3,000,000
Public Officials	UAC Insurance Pool	2,000,000
Automobile	UAC Insurance Pool	2,250,000
Property	UAC Insurance Pool	100,150,000
Surety Bonds - Treasurer		350,000
Surety Bonds - Deputy Treasurer		25,000
Surety Bonds - Blanket		300,000

Claims have not exceeded coverage in any of the last three calendar years.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 14 - STATE OF UTAH RETIREMENT PLANS

Local Governmental - Cost Sharing

Plan Description:

Beaver County contributes to the Local Governmental Noncontributory Retirement System and Public Safety Other Division A Noncontributory Retirement System for employers with Social Security coverage both of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement System (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy:

Beaver County is required to contribute a percent of covered salary to the respective systems, 11.09% to the Noncontributory and 19.08% to the Public Safety Other Division A Noncontributory Systems. The contribution rates are the actuarially determined rates and are approved by the Board as authorized by Chapter 49.

Beaver County contributions to the various systems for the years ending December 31, 2004, 2003 and 2002 respectively were; for the Noncontributory System, \$123,209.30, \$104,692.46 and \$87,798.21; and for the Public Safety Other Division A Noncontributory, \$157,645.29, \$132,060.59 and \$126,376.57 respectively. The contributions were equal to required contributions for each year.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 15 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS

Beaver County has five component units which are described below:

Governmental Fund Types:

Beaver Fire District #1:

The District provides emergency fire protection within the District.

Beaver County Special Service District #2:

The District provides fire protection within the District.

Beaver County Special Hospital Service District #3:

The District provides hospital services to the territory which includes the municipalities of Milford City and Minersville Town.

Proprietary Fund Type:

Beaver Fire District #1:

The District provides ambulance services to the general public on a continuing basis and financed through user charges.

Beaver County Special Service District #5

The District provides solid waste sanitation disposal services contracted with the District and billed monthly to the communities within the District on a per-resident basis.

Elk Meadows Special Service District:

The District was established for the purpose of construction, repairing and maintaining water, sewage, drainage, flood control, transportation, recreation, street lighting and snow removal services with the boundaries of the District.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 15 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS (CONT.)

Condensed Financial Statements for the year ended December 31, 2004, is as follows:

Condensed Statement of Net Assets:

Governmental Types:

	Beaver Fire District #1	Beaver Co. Special Service District #2	Beaver Co. Special Hospital Service District #3	Waste Management Service District #5	Elk Meadows Special Service District #6	Total
Current Assets	267,356	105,988	298,219	577,054	466,071	1,714,688
Noncurrent Assets:						
Restricted Cash	-	-	-	16,827	67,493	84,320
Interest Receivable	-	-	-	-	137,720	137,720
Prepaid Expenses	-	-	-	6,777	-	6,777
Special Assessments	-	-	-	-	921,750	921,750
Capital Assets (Net)	<u>726,304</u>	<u>139,512</u>	<u>669,282</u>	<u>375,721</u>	<u>2,026,532</u>	<u>3,937,351</u>
Total Assets	<u>993,660</u>	<u>245,500</u>	<u>967,501</u>	<u>976,379</u>	<u>3,619,566</u>	<u>6,802,606</u>
Liabilities:						
Current Liabilities	24,923	-	26,485	17,387	227,173	295,968
Noncurrent Liabilities:						
Long-Term Debt	-	77,188	399,542	-	1,150,000	1,626,730
Postclosure Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,411</u>	<u>-</u>	<u>191,411</u>
Total Liabilities	<u>24,923</u>	<u>77,188</u>	<u>426,027</u>	<u>208,798</u>	<u>1,377,173</u>	<u>2,114,109</u>
Net Assets:						
Capital Assets - Net of Related Debt	705,345	62,323	243,338	375,721	654,463	2,041,190
Restricted	-	-	35,450	16,827	67,493	119,770
Unrestricted	<u>263,392</u>	<u>105,989</u>	<u>262,686</u>	<u>375,033</u>	<u>1,520,437</u>	<u>2,527,537</u>
Net Assets	<u>968,737</u>	<u>168,312</u>	<u>541,474</u>	<u>767,581</u>	<u>2,242,393</u>	<u>4,688,497</u>
Total Liabilities and Net Assets	<u>993,660</u>	<u>245,500</u>	<u>967,501</u>	<u>976,379</u>	<u>3,619,566</u>	<u>6,802,606</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2004

NOTE 15 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS (CONT.)

Condensed Statement of Revenues, Expenses and Changes in Net Assets:

Governmental Activities:

	Beaver Fire District #1	Beaver Co. Special Service District #2	Beaver Co. Special Hospital Service District #3	Total
Revenues	76,633	117,800	228,173	422,606
Current Expenses	(71,511)	(82,886)	(155,294)	(309,691)
Change in Net Assets	5,122	34,914	72,879	112,915
Net Assets - Beginning	551,172	133,398	468,594	1,153,164
Net Assets - Ending	556,294	168,312	541,473	1,266,079

Business Type Activities:

	Beaver Fire District #1	Beaver Co. Special Service District #5	Elk Meadows Special Service District #6	Total
Operating Revenue	118,832	403,165	240,162	762,159
Operating Expenses:				
Depreciation	(41,798)	(48,886)	(60,983)	(151,667)
Other	(110,672)	(406,852)	(168,280)	(685,804)
Operating Income (Loss)	(33,638)	(52,573)	10,899	(75,312)
Non-Operating Revenues:				
Operating Grants and Intergovernmental	15,632	147,871	-	163,503
Other Income (Expense)	5,206	-	-	5,206
Interest Income	2,051	9,794	71,677	83,522
Interest Expense	-	-	(58,313)	(58,313)
Total Non-Operating Revenues	22,889	157,665	13,364	193,918
Change in Net Assets	(10,749)	105,092	24,263	118,606
Net Assets - Beginning	423,192	662,489	2,218,130	3,303,811
Net Assets - Ending	412,443	767,581	2,242,393	3,422,417

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is used to assist in formatting, for easier reading)

**REQUIRED SUPPLEMENTARY
INFORMATION
"UNAUDITED"**

**BEAVER COUNTY
CONDITION RATING OF THE COUNTY'S ROAD SYSTEM**

For The Year Ended December 31, 2004

Percentage of Lane-Miles in Good or Better Condition:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Paved	57	63	61
Gravel	55	59	58
Dirt	57	65	64
Overall System	57	61	61

Percentage of Lane-Miles in Substandard Condition:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Paved	19	16	17
Gravel	14	11	12
Dirt	14	11	10
Overall System	16	13	12

Comparison of Needed-to-Actual Maintenance/Preservation:

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Paved:				
Needed	1,425,000	1,400,000	1,500,000	1,500,000
Actual	1,300,000	1,200,000	1,448,000	1,436,000
Gravel:				
Needed	525,000	450,000	500,000	500,000
Actual	485,000	440,000	495,000	480,000
Dirt:				
Needed	500,000	500,000	500,000	500,000
Actual	485,000	485,000	490,000	486,236
Roads and Bridges:				
Needed	950,000	950,000	950,000	950,000
Actual	930,000	930,000	920,000	975,000

The condition of road pavement is measured using the American... (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 60 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule only presents the information for the last three years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the County implemented these new standards in 2001, and did not collect this information for the prior years. The County will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

The condition of the County's bridges is determined using its Bridge Management and Inspection Program (BMIP). The bridge condition rating which is a weighted average of an assessment of the ability of individual components to function structurally, uses a numerical condition scale ranging from 1.0 (impaired or load restricted) to 7.0 (New). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of 1.0 to 1.9 below 1 percent. All bridges are inspected every two years.

**BEAVER COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note A)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	<u>1,117,919</u>	<u>1,117,919</u>	<u>1,117,919</u>	<u>-</u>
Resources (Inflows):				
Taxes:				
General Property Taxes	590,000	590,000	602,356	12,356
Assessing and Collecting Taxes	230,000	230,000	234,291	4,291
Fee-In-Lieu	55,000	55,000	57,123	2,123
Delinquent Prior Years Taxes	70,000	70,000	60,235	(9,765)
General Sales and Use Taxes	<u>320,000</u>	<u>320,000</u>	<u>274,572</u>	<u>(45,428)</u>
Total Taxes	<u>1,265,000</u>	<u>1,265,000</u>	<u>1,228,577</u>	<u>(36,423)</u>
Licenses and Permits:				
Building Permits	32,000	32,000	33,109	1,109
Non-Business Licenses and Permits	<u>35,000</u>	<u>35,000</u>	<u>32,091</u>	<u>(2,909)</u>
Total Licenses and Permits	<u>67,000</u>	<u>67,000</u>	<u>65,200</u>	<u>(1,800)</u>
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	505,000	505,000	518,276	13,276
Council On Aging	148,000	148,000	144,430	(3,570)
State PILT	5,000	5,000	9,480	4,480
State Grants	50,000	50,000	75,655	25,655
State Liquor Allotment	13,000	13,000	7,456	(5,544)
City Economic Development Contribution	<u>-</u>	<u>45,000</u>	<u>45,353</u>	<u>353</u>
Total Intergovernmental Revenue	<u>721,000</u>	<u>766,000</u>	<u>800,650</u>	<u>34,650</u>
Charges for Services:				
Recorder's Fees	40,000	40,000	41,785	1,785
Clerk's Fees	10,000	10,000	7,053	(2,947)
Treasurer's Fees	1,000	1,000	1,285	285
Sheriff Fees	25,000	25,000	40,749	15,749
State Prisoner Contract	1,840,000	1,840,000	1,840,000	-
Inmate Services Revenue	100,000	100,000	133,466	33,466
Inmate Medical Reimbursements	60,000	60,000	33,493	(26,507)
Animal Control Contract	45,000	45,000	32,983	(12,017)
Milford Police Contract	295,000	295,000	441,021	146,021
Minersville Lake Fees	-	16,000	7,998	(8,002)
Court Contracts	24,800	24,800	22,741	(2,059)
County Fair Revenue	17,000	17,000	357	(16,643)
Other	<u>22,000</u>	<u>6,000</u>	<u>1,537</u>	<u>(4,463)</u>
Total Charges for Services	<u>2,479,800</u>	<u>2,479,800</u>	<u>2,604,468</u>	<u>124,668</u>

**BEAVER COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows) Continued:				
Fines and Forfeitures:				
Justice Court Fines	<u>714,935</u>	<u>714,935</u>	<u>813,878</u>	<u>98,943</u>
Miscellaneous Revenue:				
Sale of Materials and Supplies	<u>100,000</u>	<u>143,398</u>	<u>143,992</u>	<u>594</u>
Sundry Revenues	<u>25,000</u>	<u>25,000</u>	<u>23,029</u>	<u>(1,971)</u>
Interest	<u>55,000</u>	<u>55,000</u>	<u>51,902</u>	<u>(3,098)</u>
Total Miscellaneous Revenue	<u>180,000</u>	<u>223,398</u>	<u>218,923</u>	<u>(4,475)</u>
Contributions and Transfers:				
Transfers from Other Funds	<u>115,750</u>	<u>115,750</u>	<u>15,750</u>	<u>(100,000)</u>
Amounts Available for Appropriation	<u>6,661,404</u>	<u>6,749,802</u>	<u>6,865,365</u>	<u>115,563</u>
Charges to Appropriations (Outflows):				
General Government:				
Commission	<u>170,700</u>	<u>180,600</u>	<u>180,341</u>	<u>259</u>
District Court	<u>79,808</u>	<u>51,000</u>	<u>49,862</u>	<u>1,138</u>
Justice Court - Beaver	<u>153,905</u>	<u>149,700</u>	<u>149,380</u>	<u>320</u>
Justice Court - Minersville	<u>17,275</u>	<u>16,700</u>	<u>16,642</u>	<u>58</u>
Central Processing	<u>39,369</u>	<u>39,700</u>	<u>39,561</u>	<u>139</u>
Data Processing	<u>184,406</u>	<u>180,756</u>	<u>180,432</u>	<u>324</u>
Clerk-Auditor	<u>120,310</u>	<u>121,800</u>	<u>121,465</u>	<u>335</u>
Treasurer	<u>107,384</u>	<u>107,634</u>	<u>107,432</u>	<u>202</u>
Recorder	<u>102,134</u>	<u>84,000</u>	<u>83,674</u>	<u>326</u>
Attorney	<u>244,263</u>	<u>245,663</u>	<u>245,431</u>	<u>232</u>
Assessor	<u>121,300</u>	<u>123,200</u>	<u>122,969</u>	<u>231</u>
Milford Administrative Office	<u>46,175</u>	<u>43,800</u>	<u>43,433</u>	<u>367</u>
Non-Departmental	<u>75,000</u>	<u>66,800</u>	<u>66,723</u>	<u>77</u>
Courthouse and Grounds	<u>87,995</u>	<u>105,750</u>	<u>105,479</u>	<u>271</u>
Elections	<u>15,000</u>	<u>15,600</u>	<u>15,531</u>	<u>69</u>
Total General Government	<u>1,565,024</u>	<u>1,532,703</u>	<u>1,528,355</u>	<u>4,348</u>

**BEAVER COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges to Appropriations (Outflows) Continued:				
Public Safety:				
Sheriff	938,646	894,800	894,307	493
Corrections	2,241,064	2,314,300	2,313,460	840
Fire Warden	36,000	25,900	25,852	48
Building, Zoning, Economic Development	60,050	86,700	86,500	200
Animal Control	59,568	48,080	47,832	248
Civil Defense	11,500	11,000	10,932	68
Emergency Medical Services	2,000	3,000	3,000	-
Predator Control	10,000	11,800	11,800	0
Victim Advocate	28,198	29,000	28,771	229
Welfare and Indigent Care	5,000	6,300	6,267	33
Total Public Safety	<u>3,392,026</u>	<u>3,430,880</u>	<u>3,428,721</u>	<u>2,159</u>
Health and Public Welfare:				
Council On Aging	<u>190,135</u>	<u>220,300</u>	<u>220,086</u>	<u>214</u>
Parks, Recreation and Public Property:				
Recreation and Television	<u>5,000</u>	<u>7,300</u>	<u>7,217</u>	<u>83</u>
Conservation and Economic Development:				
County Fair	88,500	89,800	89,343	457
Contributions to Other Government Units	205,000	111,300	111,202	98
Economic Development	-	60,500	60,443	57
Miscellaneous Expense	35,000	21,400	18,324	3,076
Agriculture and Extension Services	<u>62,800</u>	<u>57,700</u>	<u>57,369</u>	<u>331</u>
Total Conservation and Economic Development	<u>391,300</u>	<u>340,700</u>	<u>336,681</u>	<u>4,019</u>
Contributions and Transfers:				
Transfers to Other Funds	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Charges to Appropriations	<u>5,543,485</u>	<u>5,631,883</u>	<u>5,521,060</u>	<u>110,823</u>
Budgetary Fund Balance - December 31	<u>1,117,919</u>	<u>1,117,919</u>	<u>1,344,305</u>	<u>226,386</u>

**BEAVER COUNTY
BUDGETARY COMPARISON SCHEDULE
CLASS B ROAD**

For The Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis) (See Note A)	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	<u>671,340</u>	<u>671,340</u>	<u>671,340</u>	<u>-</u>
Resources (Inflows):				
Intergovernmental	1,116,000	1,116,000	1,131,837	15,837
Contributions from Private Sources	120,000	120,000	170,000	50,000
Miscellaneous	50,000	50,000	53,093	3,093
Surplus	<u>66,100</u>	<u>66,100</u>	<u>-</u>	<u>(66,100)</u>
Amounts Available for Appropriation	<u>2,023,440</u>	<u>2,023,440</u>	<u>2,026,270</u>	<u>2,830</u>
Charges to Appropriations (Outflows):				
County Roads	1,257,100	1,226,100	1,306,315	(80,215)
Capital Outlay	<u>95,000</u>	<u>126,000</u>	<u>14,000</u>	<u>112,000</u>
Total Charges to Appropriations	<u>1,352,100</u>	<u>1,352,100</u>	<u>1,320,315</u>	<u>31,785</u>
Budgetary Fund Balance - December 31	<u><u>671,340</u></u>	<u><u>671,340</u></u>	<u><u>705,955</u></u>	<u><u>34,615</u></u>

**BEAVER COUNTY
NOTE A
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION**

For The Year Ended December 31, 2004

	<u>General Fund</u>	<u>Class B Road</u>
Sources/Inflows and Resources:		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	6,865,365	2,026,270
Differences - Budget to GAAP:		
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(1,117,919)	(671,340)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(15,750)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>5,731,696</u></u>	<u><u>1,354,930</u></u>
Uses/Outflows of Resources:		
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	5,521,060	1,320,315
Differences - Budget to GAAP:		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>5,521,060</u></u>	<u><u>1,320,315</u></u>

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is used to assist in formatting, for easier reading)

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

BEAVER COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For The Year Ended December 31, 2004

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
PROPERTY TAX FUND				
ASSETS				
Cash	1,112,004	5,554,171	5,900,638	765,537
Taxes Receivable	12,567	17,189	12,567	17,189
TOTAL ASSETS	<u>1,124,571</u>	<u>5,571,360</u>	<u>5,913,205</u>	<u>782,726</u>
LIABILITIES				
Due to Taxing Units	1,122,868	5,530,204	5,871,605	781,467
Collections Payable	1,703	28,589	29,033	1,259
TOTAL LIABILITIES	<u>1,124,571</u>	<u>5,558,793</u>	<u>5,900,638</u>	<u>782,726</u>
PAYROLL FUND				
ASSETS				
Cash	-	480,029	479,929	100
LIABILITIES				
Collections Payable	-	480,029	479,929	100
CLERK'S COURT TRUST FUND				
ASSETS				
Cash	2,757	43,395	49,117	(2,965)
Accounts Receivable	10,695	10,834	10,695	10,834
TOTAL ASSETS	<u>13,452</u>	<u>54,229</u>	<u>59,812</u>	<u>7,869</u>
LIABILITIES				
Collections Payable	13,452	54,229	59,812	(5,583)
T. V. TRUST FUND				
ASSETS				
Cash	5,536	20	-	5,556
LIABILITIES				
Collections Payable	5,536	20	-	5,556

BEAVER COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For The Year Ended December 31, 2004

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	1,120,297	6,077,615	6,429,684	768,228
Accounts Receivable	10,695	10,834	10,695	10,834
Taxes Receivable	<u>12,567</u>	<u>17,189</u>	<u>12,567</u>	<u>17,189</u>
TOTAL ASSETS	<u><u>1,143,559</u></u>	<u><u>6,105,638</u></u>	<u><u>6,452,946</u></u>	<u><u>796,251</u></u>
LIABILITIES				
Due to Taxing Units	1,122,868	5,530,204	5,871,605	781,467
Collections Payable	<u>20,691</u>	<u>562,867</u>	<u>568,774</u>	<u>14,784</u>
TOTAL LIABILITIES	<u><u>1,143,559</u></u>	<u><u>6,093,071</u></u>	<u><u>6,440,379</u></u>	<u><u>796,251</u></u>

**BEAVER COUNTY
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

For The Year Ended December 31, 2004

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Restaurant Tax:

This fund collects restaurant tax monies to fund economic development to the County.

Tushar Lakeside Campground:

This fund accounts for the collection of fees on the campground and the payments for upkeep of the property.

Transient Room Tax Fund:

This fund is used to account for room taxes collected within the County to fund the economic development activities of the County.

Library Fund:

This fund accounts for the activities of the bookmobile and libraries in the County.

Public Health:

This fund is used to account for taxes collected for the purpose of funding public health services in the County.

E-911 Fund:

This fund is used to account for monies collected on telephone bills for providing 911 emergency services in the County.

Mosquito Abatement:

This fund is used to account for controlling mosquitoes in the County.

Building Authority Fund:

This fund is used to construct public facilities in the County and to pay the indebtedness related to the cost of those facilities.

**BEAVER COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2004

	Restaurant Tax	Tushar Camp Ground	Transient Room Tax	Library	Public Health	E-911	Mosquito Abatement	Municipal Building Authority	Total Nonmajor Government Funds
ASSETS									
Cash and Cash Equivalents	92,733	20,820	61,525	43,850	26,359	59,748	423	259,742	565,200
Accounts Receivable	-	-	-	3,862	-	4,653	-	-	8,515
Due from Other Government Units	12,812	-	15,915	-	-	-	-	-	28,727
TOTAL ASSETS	<u>105,545</u>	<u>20,820</u>	<u>77,440</u>	<u>47,712</u>	<u>26,359</u>	<u>64,401</u>	<u>423</u>	<u>259,742</u>	<u>602,442</u>
LIABILITIES AND FUND EQUITY									
Liabilities:									
Accounts Payable	-	-	-	16,900	-	1,322	-	-	18,222
Fund Balances:									
Unreserved:									
Special Revenue Funds	<u>105,545</u>	<u>20,820</u>	<u>77,440</u>	<u>30,812</u>	<u>26,359</u>	<u>63,079</u>	<u>423</u>	<u>259,742</u>	<u>584,220</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>105,545</u>	<u>20,820</u>	<u>77,440</u>	<u>47,712</u>	<u>26,359</u>	<u>64,401</u>	<u>423</u>	<u>259,742</u>	<u>602,442</u>

BEAVER COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For The Year ended December 31, 2004

	Restaurant Tax	Tushar Camp Ground	Transient Room Tax	Library	Public Health	E-911	Mosquito Abatement	Municipal Building Authority	Total Nonmajor Gov't Funds
Revenues:									
Taxes	59,072	-	95,995	69,253	41,715	26,339	-	-	292,374
Intergovernmental	-	-	-	7,724	-	-	-	-	7,724
Interest Earnings	-	-	-	-	-	-	-	4,350	4,350
Miscellaneous	-	15,824	4,158	-	-	-	-	-	19,982
Total Revenues	59,072	15,824	100,153	76,977	41,715	26,339	-	4,350	324,430
Expenditures:									
Current:									
General Government	-	-	-	-	-	18,962	-	-	18,962
Public Health	-	-	-	-	43,923	-	-	-	43,923
Culture and Recreation	-	2,004	-	76,275	-	-	-	-	78,279
County Promotion	60,000	-	69,781	-	-	-	-	-	129,781
Total Expenditures	60,000	2,004	69,781	76,275	43,923	18,962	-	-	270,945
Excess of Revenues Over (Under) Expenditures	<u>(928)</u>	<u>13,820</u>	<u>30,372</u>	<u>702</u>	<u>(2,208)</u>	<u>7,377</u>	<u>-</u>	<u>4,350</u>	<u>53,485</u>
Other Financing Sources (Uses):									
Transfer In (Out)	-	-	(15,750)	-	-	-	-	-	(15,750)
Total Other Financing Sources (Uses)	-	-	(15,750)	-	-	-	-	-	(15,750)
Net Change in Fund Balance	(928)	13,820	14,622	702	(2,208)	7,377	-	4,350	37,735
Fund Balances - Beginning	106,473	7,000	62,818	30,110	28,567	55,702	423	255,392	546,485
Fund Balances - Ending	105,545	20,820	77,440	30,812	26,359	63,079	423	259,742	584,220

**BEAVER COUNTY
TREASURER'S TAX COLLECTION AGENCY FUND
BALANCE SHEET**

December 31, 2004

ASSETS:

Cash Invested	765,537
Taxes Receivable	<u>17,189</u>
 TOTAL ASSETS	 <u><u>782,726</u></u>

LIABILITIES:

Collections Payable	1,259
Due to Taxing Units	<u>781,467</u>
 TOTAL LIABILITIES	 <u><u>782,726</u></u>

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is used to assist in formatting, for easier reading)

**BEAVER COUNTY
COUNTY TREASURER
CURRENT YEAR TAXABLE VALUES**

December 31, 2004

TAXING UNITS

County Funds:

County Funds:	Real and Centrally Assessed Values	Total Real and Centrally Assessed Tax Rates	Taxes Charged	Personal Property Values	Personal Property Tax Rates	Personal Property Taxes Charged	Total Taxes Charged
General	436,164,005	.001442	628,948	10,361,422	.001434	14,858	643,807
Tax Collection - State	436,164,005	.000180	78,510	10,361,422	.000181	1,875	80,385
Tax Collection - County	436,164,005	.000199	86,797	10,361,422	.000198	2,052	88,848
Library	436,164,005	.000143	62,371	10,361,422	.000142	1,471	63,843
Public Health	436,164,005	.000086	37,510	10,361,422	.000086	891	38,401

Total County Funds

21,148

**Beaver County School District
Beaver School Levy**

436,164,005	.006298	2,746,961	10,361,422	.006063	62,821	2,809,782
436,164,005	.001800	785,095	10,361,422	.001825	18,910	804,005

Total School District

81,731

Cities and Towns:

Beaver	86,051,437	.000908	78,135	4,004,702	.000940	3,764	81,899
Milford	39,648,805	.002596	102,928	1,419,329	.002593	3,680	106,609
Minersville	14,254,070	.001782	25,401	174,515	.001772	309	25,710

Total Cities and Towns

7,754

Other:

Fire District #1	150,503,802	.000366	55,084	6,438,507	.000375	2,414	57,499
Fire District #2	265,304,008	.000283	75,081	2,984,436	.000278	830	75,911
Service District #3	265,304,008	.000678	179,876	2,984,436	.000665	1,985	181,861
Elk Meadows District	20,356,195	.001138	23,165	938,483	.001200	1,126	24,292

Total Other

6,355

GRAND TOTALS

116,987

4,965,863

5,082,850

**BEAVER COUNTY
COUNTY TREASURER
STATEMENT OF TAXES CHARGED, COLLECTED AND DISBURSED
CURRENT AND PRIOR YEARS**

December 31, 2004

TAXING UNITS	Current Years Taxes			
	Taxes Charged	Treasurer's Relief		
		Unpaid Taxes	Abatements	Other
County Funds:				
General	643,807	42,959	2,942	2,738
Tax Collection - State	80,385	5,362	367	353
Tax Collection - County	88,848	5,928	406	379
Library	63,843	4,260	292	270
Public Health	38,401	2,562	176	165
Total County Funds	915,284	61,071	4,183	3,905
Beaver County School District	2,809,782	187,625	12,851	10,910
Beaver School Levy	804,005	53,624	3,673	3,601
Total School District	3,613,787	241,249	16,524	14,511
Towns:				
Beaver City	81,899	6,286	598	444
Milford	106,609	11,085	613	989
Minersville	25,710	1,757	362	38
Total Towns	214,218	19,128	1,573	1,471
Other:				
Fire District #1	57,499	3,902	408	507
Fire District #2	75,911	3,227	261	169
Service District #3	181,861	7,731	626	402
Elk Meadows District	24,292	8,794	2	71
Total Other	339,563	23,654	1,297	1,149
GRAND TOTALS	5,082,852	345,102	23,577	21,036

Current Years Taxes			Other Collections			
Total Treasurer's Relief	Taxes Collected	Collection Rate	Fee In Lieu	Miscellaneous Collections	Delinquencies	
					Tax	Interest and Penalty
48,639	595,168	92.45%	57,123	7,376	37,279	23,128
6,082	74,303	92.43%	7,210	930	4,728	252
6,713	82,135	92.44%	7,887	1,019	5,136	259
4,822	59,021	92.45%	5,657	730	3,694	188
2,903	35,498	92.44%	3,426	442	2,255	117
69,159	846,125	92.44%	81,303	10,497	53,092	23,944
211,386	2,598,396	92.48%	241,518	31,174	148,777	6,487
60,898	743,107	92.43%	72,699	9,381	46,371	2,286
272,284	3,341,503	92.47%	314,217	40,555	195,148	8,773
7,328	74,571	91.05%	17,240	938	5,377	139
12,687	93,922	88.10%	19,095	1,199	9,942	362
2,157	23,553	91.61%	8,550	291	1,638	24
22,172	192,046	89.65%	44,885	2,428	16,957	525
4,817	52,682	91.62%	9,587	663	4,959	340
3,657	72,254	95.18%	3,935	889	3,094	86
8,759	173,102	95.18%	9,414	2,127	7,403	206
8,867	15,425	63.50%	148	214	1,617	61
26,100	313,463	92.31%	23,084	3,893	17,073	693
389,715	4,693,137	92.33%	463,489	57,373	282,270	33,935

**BEAVER COUNTY
TAX COLLECTION AGENCY FUND
CASH RECEIPTS AND DISBURSEMENTS**

For The Year Ended December 31, 2004

	Treasurer's Balance December 31, 2003	Tax Collection Receipts	Current Taxes Apportioned
Tax Collection Accounts:			
Current Years Taxes	-	4,692,734	(4,692,734)
Fee In Lieu	-	462,389	-
Delinquent Taxes	-	316,205	-
Miscellaneous	-	57,373	-
Prepayments	403	1,059	(403)
Elk Meadows Lien	-	3,786	-
Service District #5	-	2,275	-
Motor Vehicle Not Apportioned	1,100	-	-
May Tax Sale - Clerk's Fees	-	10,278	-
Imprest Balance in Checking	200	-	-
Refunds, Rebates	-	12,694	-
	<hr/>	<hr/>	<hr/>
Total Collections	1,703	5,558,793	(4,693,137)
	<hr/>	<hr/>	<hr/>
Taxing Units:			
County General Fund	-	-	595,168
Assessing and Collecting - State	-	-	74,303
Assessing and Collecting - County	-	-	82,135
County Library Fund	-	-	59,021
County Public Health	-	-	35,498
	<hr/>	<hr/>	<hr/>
Beaver School District	984,456	-	3,341,503
	<hr/>	<hr/>	<hr/>
Cities and Towns:			
Beaver City	13,393	-	74,571
Milford	15,186	-	93,922
Minersville	5,616	-	23,553
	<hr/>	<hr/>	<hr/>
Other Districts:			
Fire District #1	9,318	-	52,682
Fire District #2	27,350	-	72,254
Service District #3	65,423	-	173,102
Elk Meadows SSD	2,126	-	15,425
	<hr/>	<hr/>	<hr/>
Total Due Taxing Units	1,122,868	-	4,693,137
	<hr/>	<hr/>	<hr/>
GRAND TOTALS	1,124,571	5,558,793	-
	<hr/>	<hr/>	<hr/>

<u>Fee-In-Lieu Apportioned</u>	<u>Delinquent Taxes Apportioned</u>	<u>Car and Bus And Interest</u>	<u>Total</u>	<u>Disbursements</u>	<u>Treasurer's Balance December 31, 2004</u>
-	-	-	-	-	-
(462,389)	-	-	-	-	-
-	(316,205)	-	-	-	-
-	-	(57,373)	-	-	-
-	-	-	1,059	-	1,059
-	-	-	3,786	3,786	-
-	-	-	2,275	2,275	-
(1,100)	-	-	-	-	-
-	-	-	10,278	10,278	-
-	-	-	200	-	200
-	-	-	12,694	12,694	-
<u>(463,489)</u>	<u>(316,205)</u>	<u>(57,373)</u>	<u>30,292</u>	<u>29,033</u>	<u>1,259</u>
57,123	60,407	7,376	720,074	720,074	-
7,210	4,980	930	87,423	87,423	-
7,887	5,395	1,019	96,436	96,436	-
5,657	3,882	730	69,290	69,290	-
3,426	2,372	442	41,738	41,738	-
314,217	203,921	40,555	4,884,652	4,204,732	679,920
17,240	5,516	938	111,658	104,949	6,709
19,095	10,304	1,199	139,706	116,583	23,123
8,550	1,662	291	39,672	37,137	2,535
9,587	5,299	663	77,549	70,247	7,302
3,935	3,180	889	107,608	89,595	18,013
9,414	7,609	2,127	257,675	214,524	43,151
148	1,678	214	19,591	18,877	714
<u>463,489</u>	<u>316,205</u>	<u>57,373</u>	<u>6,653,072</u>	<u>5,871,605</u>	<u>781,467</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,683,364</u>	<u>5,900,638</u>	<u>782,726</u>

(This page contains no information and
is used to assist in formatting, for easier reading)

COMPLIANCE SECTION

Kimball & Roberts

Certified Public Accountants
A Professional Corporation

Box 663
Richfield, Utah 84701
Phone 896-6488

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of County Commissioners
Beaver County
Beaver, Utah 84713

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Beaver County as and for the year ended December 31, 2004, which collectively comprise Beaver County's basic financial statements and have issued our report thereon dated April 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Beaver County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaver County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to the management of Beaver County in a separate letter dated April 29, 2005.

The Honorable Board of County Commissioners
Beaver County
Page -2-

This report is intended solely for the information and use of the audit committee, management, County Commission and is not intended to be and should not be used by anyone other than these specified parties.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

April 29, 2005
Richfield, Utah

Kimball & Roberts

*Certified Public Accountants
A Professional Corporation*

*Box 663
Richfield, Utah 84701
Phone 896-6488*

AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

The Honorable Board of County Commissioners
Beaver County
Beaver, Utah 84713

We have audited the basic financial statements of Beaver County, for the year ended December 31, 2004, and have issued our report thereon dated April 29, 2005. As part of our audit, we have audited Beaver County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2004. The County received the following major State assistance programs from the State of Utah:

B Road Funds (Department of Transportation)
Liquor Law Enforcement (State Tax Commission)

The County also received the following nonmajor grants, which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Beaver County's financial statements.)

GIS Grant (Department of Administrative Services)
History Grant (Department of Community and Economic Development)
Predator Control (Department of Agriculture)
Minersville State Park (Department of Natural Resources)
VOCA Grant (Governor's Office)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Property Tax
Other Compliance Requirements


The management of Beaver County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

The Honorable Board of County Commissioners
Beaver County
Page -2-

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in a separate management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Beaver County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to its major State assistance programs for the year ended December 31, 2004.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

April 29, 2005
Richfield, Utah

**BEAVER COUNTY
MANAGEMENT LETTER
DECEMBER 31, 2004**

Kimball & Roberts

Certified Public Accountants
A Professional Corporation

Box 663
Richfield, Utah 84701
Phone 896-6488

April 29, 2005

The Honorable Board of County Commissioners
Beaver County
Beaver, Utah 84713

During our audit of the funds of Beaver County for the year ended December 31, 2004, we noted an area needing corrective action in order for the County to be in compliance with state laws and regulations. This item is discussed below for your consideration.

COMPLIANCE:

Justice Courts

Finding:

During our tests of the Minersville Justice Court we noted that some of the dockets selected for testing had fine suspensions but there was not an appropriate reason or explanation for the suspension.

Recommendation:

We recommend that when a suspension is given for a violation that the judge indicate in the docket the judicial reason for the reduction in the fine.

Response:

The above finding was discussed with Beaver County officials and they concur with the recommendation.

We would like to take this opportunity to thank Beaver County's personnel for the cooperation and assistance given to us during the course of our examination.

Respectfully submitted,


KIMBALL & ROBERTS
Certified Public Accountants

DKK/vl